



2000
State of Wisconsin
1997 - 1998 LEGISLATURE

LRB-0439/P1 P2

DAK:kmg:km

D-NOTE

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

app: Sorkbill

Gen. Cat.

1 **AN ACT to amend** 15.01 (4) and 59.17 (2) (c); and **to create** 15.07 (1) (a) 7., 15.07
2 (2) (h), 15.07 (5) (z), 15.07 (5m) (c), 15.20, 15.207, 20.430, chapter 52, 59.53 (24)
3 and ~~62.09~~ (8) (cm) of the statutes; **relating to:** establishing a publicly financed
4 health care system for residents of this state, creating the department of health
5 planning and finance, health policy board, regional health councils, health
6 consumer advocacy council and health service provider council and granting
7 rule-making authority. *and making appropriations*

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided on a subsequent draft.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

8 **SECTION 1.** 15.01 (4) of the statutes is amended to read:
9 15.01 (4) "Council" means a part-time body appointed to function on a
10 continuing basis for the study, and recommendation of solutions and policy

1 alternatives, of the problems arising in a specified functional area of state
2 government, except the Milwaukee river revitalization council has the powers and
3 duties specified in s. 23.18, the council on physical disabilities has the powers and
4 duties specified in s. 46.29 (1) and (2), the state council on alcohol and other drug
5 abuse has the powers and duties specified in s. 14.24, the regional health councils
6 have the powers and duties specified in s. ^{152.30}52.30(1) and, before January 1, 2001, the
7 council on health care fraud and abuse has the powers and duties specified in s.
8 146.36.

9 **SECTION 2.** 15.07 (1) (a) 7. of the statutes is created to read:

10 15.07 (1) (a) 7. Members of the health policy board elected under s. 15.20 (1)
11 (a) shall be elected as provided in that section.

12 **SECTION 3.** 15.07 (2) (h) of the statutes is created to read:

13 15.07 (2) (h) The chairperson of the health policy board shall serve for a period
14 of 3 years.

15 **SECTION 4.** 15.07 (5) (z) of the statutes is created to read:

16 15.07 (5) (z) Voting members of the health policy board, \$50 per day.

17 **SECTION 5.** 15.07 (5m) (c) of the statutes is created to read:

18 15.07 (5m) (c) *Health policy board.* Members of the health policy board may
19 be reimbursed for lost wages if required by their employers to use leave without pay
20 in order to attend meetings of the health policy board, and they may be reimbursed
21 for actual and necessary child care expenses without proof of financial hardship.

22 **SECTION 6.** 15.20 of the statutes is created to read:

23 **15.20 Department of health planning and finance.** (1) There is created
24 a department of health planning and finance under the direction and supervision of
25 the health policy board. The health policy board shall consist of the following

1 members, each of whom is to serve for a 6-year term and, if reelected or reappointed,
2 for an additional 6-year term and none of whom may be a health care provider, as
3 defined in s. ¹⁵²152.01 (6), an administrator or owner of a health care facility or
4 organization or an elected public official:

5 (a) One member elected by and from the current membership of each of 6
6 regional health councils as specified under s. 15.207 (1) (b).

7 (b) Five members, nominated by the governor and with the advice and consent
8 of the senate appointed, who reflect as much as possible a balance of gender, race,
9 age, sexual preference, ethnicity, religion, geographic areas and the interests of
10 management, labor and individuals with disabilities.

11 **SECTION 7.** 15.207 of the statutes is created to read:

12 **15.207 Same; councils. (1) REGIONAL HEALTH COUNCILS.** (a) There are created
13 6 regional health councils that are attached to the department of health planning
14 and finance under s. 15.03, one of which is established in each of the following areas
15 of this state:

16 1. The northern region, consisting of Ashland, Bayfield, Douglas, Florence,
17 Forest, Iron, Langlade, Lincoln, Marathon, Oneida, Portage, Price, Sawyer, Taylor,
18 Vilas and Wood counties.

19 2. The southern region, consisting of Adams, Columbia, Crawford, Dane,
20 Dodge, Grant, Green, Iowa, Jefferson, Juneau, Lafayette, Richland, Rock, Sauk and
21 Vernon counties.

22 3. The western region, consisting of Barron, Burnett, Buffalo, Chippewa,
23 Clark, Dunn, Eau Claire, Jackson, La Crosse, Monroe, Pepin, Pierce, Polk, Rusk, St.
24 Croix, Trempealeau and Washburn counties.

1 4. The northeastern region, consisting of Brown, Calumet, Door, Fond du Lac,
2 Green Lake, Kewaunee, Manitowoc, Marinette, Marquette, Menominee, Oconto,
3 Outagamie, Shawano, Sheboygan, Waupaca, Waushara and Winnebago counties.

4 5. The southeastern region, consisting of Kenosha, Ozaukee, Walworth,
5 Washington, Waukesha and Racine counties.

6 6. The area within Milwaukee County.

7 (b) Each regional health council shall consist of the following members, none
8 of whom may be a health care provider, as defined in s. ~~52.01~~ ^{152.01} (6), an administrator
9 or owner of a health care facility or organization or an elected public official, to serve
10 for no more than 3 3-year terms:

11 1. In the northern region, a total of 16 members, consisting of one member from
12 each county in that region. The county board of supervisors of each county in that
13 region shall appoint one person from that county.

14 2. In the southern region, a total of 15 members, consisting of one member from
15 each county in that region. The county board of supervisors of each county in that
16 region shall appoint one person from that county.

17 3. In the western region, a total of 17 members, consisting of one member from
18 each county in that region. The county board of supervisors of each county in that
19 region shall appoint one person from that county.

20 4. In the northeastern region, a total of 17 members, consisting of one member
21 from each county in that region. The county board of supervisors of each county in
22 that region shall appoint one person from that county.

23 5. In the southeastern region, a total of 12 members, consisting of 2 members
24 from each county in that region. The county board of supervisors of each county in
25 that region shall appoint 2 persons from that county.

1 6. In the area within Milwaukee County, a total of 12 members, consisting of
2 6 persons who are residents of the city of Milwaukee and are appointed by the mayor
3 of the city of Milwaukee, and 6 persons who are residents of Milwaukee County but
4 are not residents of the city of Milwaukee and are appointed by the county executive
5 of Milwaukee County.

6 (2) HEALTH CONSUMER ADVOCACY COUNCIL. There is created a health consumer
7 advocacy council that is attached to the department of health planning and finance
8 under s. 15.03, consisting of 18 members, appointed by the health policy board for
9 no more than 3 3-year terms. Members shall reflect as much as possible a balance
10 of gender, race, age, sexual preference, ethnicity, religion, disability and geographic
11 considerations and the interests and concerns of consumer advocacy. No member
12 may be a health care provider, as defined in s. ~~52.01~~ ^{152.01} (6), or a representative of an
13 agency or organization that provides health care services or benefits that are
14 specified under s. ~~52.10~~ ^{152.10} (4).

15 (3) HEALTH SERVICE PROVIDER COUNCIL. There is created a health service
16 provider council that is attached to the department of health planning and finance
17 under s. 15.03, consisting of 18 members, appointed by the health policy board for
18 no more than 3 3-year terms. Members shall reflect as much as possible a balance
19 of gender, race, age, sexual preference, ethnicity, religion, disability and geographic
20 considerations and the interests and concerns of agencies or organizations that
21 provide health care services or benefits that are specified under s. ~~52.10~~ (4). No
22 member may be a representative of an agency or organization that advocates on
23 behalf of health care consumer interests.

INSERT 5-23

24 SECTION 8. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
25 the following amounts for the purposes indicated:

1997-98 1998-99

20.430 Health planning and finance, department**of**(1) ~~HEALTH POLICY BOARD~~ **PLANNING AND FINANCE**

(a) General program operations GPR A -0- -0-

SECTION 9. 20.430 of the statutes is created to read:

20.430 Health planning and finance, department of. There is appropriated to the department of health planning and finance for the following program:

(1) **HEALTH PLANNING AND FINANCE.** (a) *General program operations.* The amounts in the schedule for the general program operations of the department of health planning and finance.

SECTION 10. Chapter ~~52~~ of the statutes is created to read:**CHAPTER ~~52~~****UNIVERSAL HEALTH PLAN****52.01 Definitions.** In this chapter:

(1) "Block grant" has the meaning given in s. 16.54 (2) (a) 3.

(2) "Board" means the health policy board.

(3) "Department" means the department of health planning and finance.

(4) "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).

(5) "Health care facility" means a facility, as defined in s. 647.01 (4), or any hospital, nursing home, community-based residential facility, county home, county infirmary, county hospital, county mental health center, tuberculosis sanatorium, adult family home, assisted living facility, rural medical center, hospice or other place

1 licensed, certified or approved by the department under s. 49.70, 49.71, 49.72, 50.02,
2 50.03, 50.032, 50.033, 50.034, 50.35, 50.52, 50.90, 51.08, 51.09, 58.06, 252.073 or
3 252.076 or a facility under s. 45.365, 51.05, 51.06 or 252.10 or ~~under ss. 233.40 to~~
4 ~~233.42~~ ^{ch. 233} or licensed or certified by a county department under s. 50.032 or 50.033.

5 (6) "Health care provider" means a provider of health care services or other
6 benefits in this state that are specified under s. ~~52.10~~ (4). ^{152.10}

7 (7) "Medicare" means coverage under part A or part B of Title XVIII of the
8 federal Social Security Act, 42 USC 1395 to 1395 ~~ch.~~ ^{ddd}

9 (8) "Reimbursement" means payment for the provision of services and other
10 benefits that are specified under s. ~~52.10~~ (4). ^{condition,}

11 ~~52.10~~ ^{152.10} **Universal health plan.** (1) There is created a universal health plan
12 in this state, under which, beginning on July 1, 1999, each eligible person shall
13 receive reasonable medical service necessary to maintain health, enable diagnosis
14 or provide treatment or rehabilitation for an injury, disability or disease, for which
15 reimbursement shall be made by the department, except that no coverage is provided
16 for orthodontia or for the performance of reconstructive or cosmetic surgery that is
17 not determined to be medically necessary under criteria that are promulgated as
18 rules by the department.

19 (2) Except as provided in sub. (5), each individual in this state who meets
20 requirements of residency, under criteria promulgated as rules by the department,
21 is eligible for coverage under the universal health plan. An individual's state
22 residency is presumed unless rebutted by clear and convincing evidence. If the
23 presumption is so rebutted, any reimbursement paid under the universal health
24 plan for health care services rendered to the individual is a liability of the individual.

25 None of the following may be excluded from eligibility under this subsection.

1 (a) Individuals, other than those specified in par. (b), who have no coverage
2 under disability insurance policies.

3 (b) Individuals who have no coverage under disability insurance policies and
4 who receive health care, treatment for nervous or mental disorders or treatment or
5 prevention services for alcohol and other drug abuse that are funded by state or local
6 funding.

7 (c) Individuals who are employees of the state or any county, city, village or town,
8 and who, as a benefit of the employment, have coverage for themselves and family
9 members under provisions of group disability insurance policies or under
10 self-insured health plans.

11 (d) Individuals, other than those specified in par. (c) or (h), who, by reason of
12 their employment or as family members of individuals who are employed, have
13 coverage under group disability insurance policies.

14 (e) Individuals who have coverage under individual disability insurance
15 policies.

16 (f) Individuals who have coverage under the health insurance risk-sharing
17 plan under ~~subch. H of ch. 619~~ ch. 149 ✓ ✓
49.468, 49.664

18 (g) Individuals who are eligible for benefits or services under s. 49.46 or 49.47,
19 medicare or block grants that provide health care services.

20 (h) Individuals who are employees of self-insured employers, other than those
21 specified in par. (c), and who receive health care benefits for themselves and family
22 members under self-insured health plans.

23 (i) Individuals who receive medical benefits under worker's compensation.

(3) (a) Any individual who is eligible under sub. (2) may receive services that are available under the universal health plan from any participating health care provider in this state.

(b) No individual who is eligible under sub. (2) may under this section be required to pay an amount as a deductible or copayment as a condition for receipt of services from a health care facility or health care provider.

(4) Health care services and other benefits provided under the universal health plan shall include all of the following:

(a) Services of all persons licensed, certified, registered or permitted to treat the sick under chs. 441, 446, 447, 448, 449, 450, 451, 455, 457 and 459.

(b) Health care services that are provided by health care facilities and the offices and clinics of persons under par. (a).

(c) Preventive health care services and health promotional programs, including well-child care, immunizations, screening, outreach and education.

(d) Durable medical equipment, ^{supplies} and appliances, including ^{Medical or surgical supplies and} ~~prosthetics~~ ^{prostheses}, ^{or surgical} ~~eyeglasses and hearing aids.~~ ^{valves, pacemakers, heart comma}

(e) Prescription drugs ^{152.40} specified in the state formulary under the requirements of s. ~~52.40~~ ^{any} (4) (n) and other drugs ^{any} specified by the department by rule.

^{INSERT 9-18} (g) Long-term care services that are necessary for the physical health, mental and emotional well-being and social and personal needs of individuals who have limited self-care capabilities, including services of health care facilities; home health care; hospice care; home-based and community-based services, including personal assistance and attendant care; and periodic needs assessments.

(h) Mental health treatment and services, including substance abuse and brain injury treatment. ^(h)

(1) ~~(b)~~ Dental services, as specified under s. 49.46 (2) (b) 1.

(5) The universal health plan is the payer of last resort and coverage under the universal health plan is supplemental to any health care coverage in force that is held by an individual.

52.20 Health policy board; powers and duties. (1) The board shall

approve and continually evaluate the listing of approved medicinal substances and formulae that is required under s. ~~52.40~~ (4) (n).

(2) The board shall biennially evaluate and oversee cost containment guidelines and policies, including the evaluation of mechanisms used to contain costs of ~~service provision~~ providing services, and shall revise the guidelines and policies as necessary.

(3) The board shall review at least all of the following issues and formulate or revise policies, as appropriate, with respect to the issues:

~~(a)~~ The sources of revenues for the administration of the department and the board and for financing the payment of medical services that are provided to residents under the universal health plan.

~~(b)~~ Information provided by the regional health councils.

~~(c)~~ Development of a system for determination and periodic review of areas in this state, and specific populations within those areas, that are medically underserved; and development of plans for providing health care services to those areas and populations, including the establishment of community health centers.

~~(d)~~ Development of a system for periodic reviews and evaluations of all aspects of the operation of the universal health plan, including the adequacy, cost, effectiveness and quality of health care services provided.

(f) Development of a notice and hearing procedure for review of complaints of residents ~~under~~ ^{about} the universal health plan, in accordance with the requirements of ch. 227.

(g) Other issues that the board determines are relevant to the universal health plan.

(h) State statutory changes that may be necessary to effect pars. (a) to (g).

(4) By January 1, April 1, July 1 and October 1 of each year, the board shall report to the governor on the revenues to and expenditures of the universal health plan for the next most immediately preceding calendar quarter.

(5) The board shall establish payment rates and conditions of payment for the provision of health care services under the universal health plan.

^{152.30}
52.30 Regional health councils; powers and duties. (1) Each regional health council shall do all of the following:

(a) Elect one member of the regional health council to serve as a member of the board under s. 15.20 (1) (a). If the term of the member who is so ~~appointed~~ ^{elected} expires with respect to the regional health council or with respect to the board under s. 15.20 (1) (a), the regional health council shall elect a current member of the council to serve as a member of the board in his or her stead.

(b) Study and continuously monitor the delivery and quality of and access to health care services in the region of the regional health council and recommend to the board ways to improve the quality of and help ensure access to health care services.

(c) Recommend to the board payment rates and conditions appropriate to specific regional needs and advise on regional health care ~~policy~~ ^{policy} issues and administrative policies and procedures.

(d) Study and continuously monitor the unmet health care service needs in the region of the regional health council and recommend to the board ways by which the needs may be met.

(e) Report at least annually to the board with respect to the health care needs, problems and concerns of the region and provide to the board recommendations to alleviate these needs, problems and concerns.

(f) Require reports from and advise the member of the staff of the appropriate regional office whose duties are specified under s. ~~52.40~~ (1), concerning issues that arise under pars. (b) to (e).

(g) Perform other duties as required by the board.

(2) Each regional health council may, for cause, recall the member elected under sub. (1) (a) and may elect another member to fulfill that term on the board if all of the following are done:

(a) The elected member of the board for whom recall is sought receives notice of the recall prior to the meeting at which recall is voted upon.

(b) Notice of the recall of the elected member is made on the agenda of the meeting of the regional health council that is immediately prior to the meeting at which recall is voted upon.

(3) Each regional health council may receive services of the staff of the appropriate regional office that deals with issues of health consumer advocacy and health ombudsman functions.

152.40 Department of health planning and finance. (1) The department shall administer the universal health plan, including establishing regional offices in each of the regions specified under s. 15.207 (1) (a) 1. to 6. Each regional office shall

1 have at least one staff member who acts as a regional consumer advocate and health
2 care ombudsman.

3 (2) The department shall, after review and approval by the board, promulgate
4 as rules all of the following:

5 (a) Guidelines for cost containment under the universal health plan.

6 (b) Criteria for determining state residency for the purposes of eligibility under
7 the universal health plan.

8 (c) Criteria for determining medical necessity for orthodontia and for the
9 performance of reconstructive or cosmetic surgery for coverage under the universal
10 health plan, including the establishment of a continuing medical advisory committee
11 to keep criteria up to date. The committee shall review individual cases and appeals

12 of denials.

13 (3) The department shall biennially evaluate and recommend to the board cost
14 control measures for the universal health plan.

15 (4) The department shall, by January 1, 1999, begin implementation of
16 processes, in light of outcomes under s. ~~52.20~~ (3), to effect all of the following:

17 (a) Specifying the amounts and sources of funds to finance payment to
18 providers under the universal health plan, excluding all premiums, copayments,
19 deductibles and other forms of direct payment by patients, and including all of the
20 following:

21 1. Use of federal, state and local moneys that fund, as of January 1, 1999, health
22 care services, including medicare, medical assistance, health care services funded by
23 a relief block grant under s. 49.02, services provided under federal block grants,
24 alcohol and other drug abuse services and services provided by local ~~public~~ health
25 agencies.

departments

or 49.025, health care services under s. 49.665

1 2. Use of revenues from a tax on employers, based on the amount of wages that
2 they pay, that generates, in the aggregate, revenues that are at least equal to
3 amounts that employers contribute, as of the effective date of this subdivision
4 [revisor inserts date], for employee health care benefit costs, including the costs of
5 worker's compensation attributable to health care for injured employees.

6 3. Use of revenues from a graduated income tax on individuals that generates,
7 in the aggregate, revenues that are not greater than expenditures that individuals
8 make, as of July 1, 1999, for health care costs for which coverage under disability
9 insurance policies is not obtained.

10 4. An indexing of the sources of revenues under this paragraph that provides
11 for revenue growth that is equivalent to the anticipated growth of health care costs
12 under the universal health plan.

13 (b) Applying for waivers to 42 USC 1396 to ~~1396a~~ ^{1396v} or considering the feasibility
14 of statutory changes to 42 USC 1396 to ~~1396a~~ in order to effect all of the following:

15 1. Administration of the medical assistance program in this state by the
16 department, rather than by the department of health and family services.

17 2. Use of federal financial participation to fund a portion of the administrative
18 costs, after June 30, 1999, of the department.

19 3. Use of federal financial participation, after June 30, 1999, to fund, under the
20 universal health plan, the health care services received by a percentage of the
21 residents that corresponds to the percentage of the residents, as determined by the
22 board, that is eligible to receive health care services under the medical assistance
23 program on July 1, 1999.

24 4. The formulation of criteria and procedures for payment of out-of-state
25 health care costs incurred by residents specified in subd. 3.

1 5. Use of federal financial participation to fund the scope, or a portion of the
2 scope, of medical services to be provided under the universal health plan.

3 (c) Applying for waivers to ~~42 USC 1395 to 1395ccc~~ ^{medicare} or considering the feasibility
4 of statutory changes to 42 USC 1395 to 1395ccc ^{add} in order to effect all of the following:

5 1. Administration of the medicare program in this state by the department,
6 rather than by private insurers.

7 2. Use of federal funds ~~under 42 USC 1395 to 1395ccc~~ to fund a portion of the
8 administrative costs, after June 30, 1999, of the department.

9 3. Use of federal funds ~~under 42 USC 1395 to 1395ccc~~ to fund, under the
10 universal health plan, the health care services received by residents who are eligible
11 to receive services under ~~42 USC 1395 to 1395ccc~~ beginning on July 1, 1999.

12 4. The formulation of criteria and procedures for payment of out-of-state
13 health care costs incurred by residents specified in subd. 3. ^{medicare}

14 5. Use of federal funds ~~under 42 USC 1395 to 1395ccc~~ to fund the scope, or a
15 portion of the scope, of medical services to be provided under the universal health
16 plan.

17 6. The assignment to the state, as represented by the department, of rights of
18 an individual to payment for medical care from any 3rd party.

19 (d) Applying for waivers or considering the feasibility of statutory changes to
20 federal laws, other than those specified in pars. (b) and (c), in order to use moneys
21 available under those federal laws for payment of health care services under the
22 universal health plan or in order to provide services to all residents under the
23 universal health plan.

1 (e) The establishment and maintenance, with reserves of no less than 5% of the
2 total annual health budget, of a health trust fund in the department, for receipt of
3 revenues specified in par. (a).

4 (f) The formulation of criteria for determining payment and the formulation of
5 procedures for determining payment and negotiating applicable rates to be used for
6 payment for health care providers, including health care facilities, under the
7 universal health plan. The criteria and procedures for determining payment shall
8 include the concept of periodic overall budgeting, including separately budgeting for
9 operational costs; for health care facilities and services; for negotiations with
10 professional groups or associations of practitioners; for consideration of inflation
11 costs and increased patient populations; and for research and teaching.

12 (g) The formulation of criteria and procedures to review and to provide funding
13 for capital expenditures, from an account separate from that from which health care
14 services are paid, for the establishment, maintenance or expansion of health care
15 facilities.

16 (h) The formulation of prohibitions on issuance of disability insurance policies
17 that duplicate the coverage provided under the universal health plan.

18 (i) The formulation of criteria and procedures for recovery of overpayments
19 made to health care providers under the universal health plan.

20 (j) The determination and use of factors requisite to establishing an annual
21 state health budget for the provision of services under the universal health plan.

22 (k) Applying for waivers of 29 USC 1144 (a) or considering the feasibility of
23 statutory change to 29 USC 1144 (a) or the means by which operation of the universal
24 health plan may avoid conflict with 29 USC 1144 (a).

(L) Investigation of the feasibility of providing the state with subrogation rights to payments for injury or disease to residents that are provided under motor vehicle or other liability insurance policies or plans.

(m) Formulation of criteria and procedures for payment under the universal health plan of out-of-state health care costs incurred by residents.

(n) Establishment of a listing of approved medicinal substances and formulae, including all of the following:

1. Negotiation with pharmaceutical manufacturers or distributors to obtain the lowest possible cost for each medicinal substance. The negotiation shall include as parties on behalf of the universal health plan the secretary of the department and the chairpersons of the board, the health consumer advocacy council and the health service provider council.

2. Establishment of a single statewide price, under the universal health plan, for each medicinal substance.

3. Monitoring the listing to oversee its currency and revising the listing by January 1 and July 1 annually.

4. Negotiating a statewide uniform dispensing fee with representatives of pharmacists or pharmacies. (g)

INSERT 17-18
(19) ~~Other issues that the department determines are relevant to the universal~~
(20) health plan. as determined by the board

SECTION 11. 59.17 (2) (c) of the statutes is amended to read:

59.17 (2) (c) Appoint the members of all boards ~~and~~, commissions and councils where appointments are required and where the statutes provide that the appointments are made by the county board ~~or~~ ⁽²⁾ by the chairperson of the county

or by the county executive
1 board. All appointments to boards and, commissions and councils by the county
2 executive are subject to confirmation by the county board.

3 **SECTION 12.** 59.53 (24) of the statutes is created to read:

4 59.53 (24) REGIONAL HEALTH COUNCIL. The board may appoint members of a
5 regional health council, as specified in s. 15.207 (1) (b).

6 **SECTION 13.** 62.09 (8) (cm) of the statutes is created to read:

7 62.09 (8) (cm) The mayor of a 1st class city may, with the advice and consent
8 of the common council of that city, appoint 6 members of a regional health council,
9 as specified under s. 15.207 (1) (b) 6.

10 **SECTION 14. Nonstatutory provisions; health planning and finance.**

11 (1) HEALTH POLICY BOARD; APPOINTMENT OF MEMBERS. Notwithstanding the
12 length of terms specified for the voting members of the health policy board under
13 section 15.20 (1) (intro.) of the statutes, as created by this act, the initial members
14 of the health policy board shall be appointed or elected by the first day of the 3rd
15 month beginning after the effective date of this subsection for the following terms:

16 (a) Two members ~~specified under section 15.20 (1) (b) of the statutes, as created~~
17 ~~by this act, and 2 members~~ specified under section 15.20 (1) (a) of the statutes, as
18 created by this act, one of whom is elected from the northern regional council and one
19 of whom is elected from the southeastern regional council, for terms expiring on May
20 1, 2001. *specified under section 15.20 (1) (b) of the statutes,*
as created by this act

21 (b) Two members ~~specified under section 15.20 (1) (b) of the statutes, as created~~
22 ~~by this act, and 2 members~~ specified under section 15.20 (1) (a) of the statutes, as
23 created by this act, one of whom is elected from the northeastern regional council and
24 one of whom is elected from the regional council within the area of Milwaukee
25 County, for terms expiring on May 1, 2003. *, and 2 members specified*
under section 15.20 (1) (b) of the
statutes, as created by this act

(c) ~~One member specified under section 15.20 (1) (b) of the statutes, as created by this act, and 2~~ ^{Two} members specified under section 15.20 (1) (a) of the statutes, as created by this act, one of whom is elected from the southern regional council and one of whom is elected from the western regional council, for terms expiring on May 1, 2005. and one member specified under section 15.20 (1) (b) of the statutes, as created by this act

wp0: *There are 2 "(1)"s in Vonstat; these need all be auto pers num*

→ (1) REGIONAL HEALTH COUNCILS; APPOINTMENT OF MEMBERS. Notwithstanding the length of terms specified for the members of regional health councils under section 15.207 (1) (b) of the statutes, as created by this act, the initial members of the regional health councils shall be appointed by the first day of the 3rd month beginning after the effective date of this subsection for the following terms:

(a) For the regional health council under section 15.207 (1) (b) 1. of the statutes, as created by this act:

1. Five members, for terms expiring on July 1, 2001.
2. Five members, for terms expiring on July 1, 2002.
3. Six members, for terms expiring on July 1, 2003.

(b) For the regional health council under section 15.207 (1) (b) 2. of the statutes, as created by this act:

1. Five members, for terms expiring on July 1, 2001.
2. Five members, for terms expiring on July 1, 2002.
3. Five members, for terms expiring on July 1, 2003.

(c) For each regional health council under section 15.207 (1) (b) 3. or 4. of the statutes, as created by this act:

1. Five members, for terms expiring on July 1, 2001.
2. Five members, for terms expiring on July 1, 2002.
3. Seven members, for terms expiring on July 1, 2003.

(d) For each regional health council under section 15.207 (1) (b) 5. or 6. of the statutes, as created by this act:

1. Four members, for terms expiring on July 1, 2001.

2. Four members, for terms expiring on July 1, 2002.

3. Four members, for terms expiring on July 1, 2003.

(2) HEALTH CONSUMER ADVOCACY COUNCIL; APPOINTMENT OF MEMBERS.

Notwithstanding the length of terms specified for the members of the health consumer advocacy council under section 15.207 (2) of the statutes, as created by this act, the initial members of the health consumer advocacy council shall be appointed by the first day of the 3rd month beginning after the effective date of this subsection for the following terms:

(a) Six members, for terms expiring on July 1, 2001.

(b) Six members, for terms expiring on July 1, 2002.

(c) Six members, for terms expiring on July 1, 2003.

(3) HEALTH SERVICE PROVIDER COUNCIL; APPOINTMENT OF MEMBERS.

Notwithstanding the length of terms specified for the members of the health service provider council under section 15.207 (3) of the statutes, as created by this act, the initial members of the health service provider council shall be appointed by the first day of the 3rd month beginning after the effective date of this subsection for the following terms:

(a) Six members, for terms expiring on July 1, 2001.

(b) Six members, for terms expiring on July 1, 2002.

(c) Six members, for terms expiring on July 1, 2003.

(4) PROPOSED IMPLEMENTATION.

(a) The department of administration shall expedite the creation of health councils in accord with section 15.207 (1) (b) of the statutes, as created by this act, by initiating and making follow-up contacts with boards of supervisors in counties other than Milwaukee County and with the county executive of Milwaukee County and the mayor of the city of Milwaukee.

(b) The department of administration shall provide staff assistance to complete all activities required to create the 6 regional health councils and enable each regional health council to elect one member of the health policy board as required under section 15.20 (1) (a) of the statutes, as created by this act.

INSERT 21-9
(10) ~~(b)~~ ^(#) The secretary of health planning and finance and the secretary of administration shall, until September 1, 1998, meet at least semimonthly to formulate decisions on issues concerning the universal health plan and the department of health planning and finance, as specified in chapter ~~52~~ ¹⁵² of the statutes, as created by this act, and as the scope and functions of the department of health planning and finance affect the scope and functions of the department of health and family services, the office of the commissioner of insurance, the board on aging and long-term care, and the duties or powers of any other state agency. The department of health planning and finance shall convey these decisions to and cooperate with the legislative reference bureau in the drafting of proposed legislation that is necessary to meet those issues, for introduction in the legislature at the beginning of the 1999 legislative session by the appropriate committee of the legislature.

~~22~~ → DELETE SPACE

SECTION 15. Nonstatutory provisions; legislative reference bureau.

(1) DRAFTING PROPOSED LEGISLATION ~~ON~~ THE UNIVERSAL HEALTH PLAN. The legislative reference bureau shall, after meeting with and receiving the decisions of

TO IMPLEMENT

1 the department of health planning and finance with respect to the universal health
2 plan, prepare in proper form proposed legislation that shall relate to those decisions,
3 for introduction in the legislature at the beginning of the 1999 legislative session by
4 the appropriate committee of the legislature.

5 **SECTION 16. Effective dates.** This act takes effect on the day after
6 publication, except as follows:

7 (1) The ~~creation~~ of section ~~52.10~~ of the statutes takes effect on July 1, 1999.

8 (END)

✓
152.10

treatment

D-NOTE

(8)
(4) (25)

MEDICAL ADVISORY COUNCIL. There is created a medical advisory council that is attached to the department of health planning and finance under S.15.03, consisting of **** members, appointed by the health policy board for ****-year terms.

1997

INSERT 6-5

(P-108)

File With Statute **20.005 (3)** Schedule

LRB _____/_____/_____

\$\$\$ SCHEDULE

In the component bar:

For the action phrase, execute: create → action: → ch20

For the table layout, execute: create → <Table> → \$sched

SECTION #. 20.005 (3) (schedule) of the statutes: at the appropriate place,

insert the following amounts for the purposes indicated:

1997-98

1998-99

20.

.....

()

.....

(i) Gifts and grants

----- PR C -0- -0-

20.

.....

()

.....

(m) Federal program
operations

----- PR-F C -0- -0-

(i) ^(I) Gifts and grants. All moneys received from gifts, grants, bequests and devises to carry out the purposes for which made.

(m) ^(I) Federal ~~programs~~ ^{funds; state} operations. All moneys received from the federal government, as authorized by the governor under S. 16.54, for the purpose for which made and received.

1 INSERT 9-18

(F) Blood and blood products.

(B)

(5)(a) Individuals who have coverage under disability insurance policies, including group disability insurance policies, are exempt from any taxation levied to provide monies for the universal health ~~care~~ plan until the universal health ~~care~~ plan is in effect. In the event that the universal health ~~care~~ plan is in effect during a period of an individual's coverage under a disability insurance policy, coverage under the universal health plan is supplemental to the coverage provided under the disability insurance policy.

(b) After the universal health plan is in effect, no new or renewed disability insurance coverage may be issued other than disability insurance coverage for an injury, condition, disability or disease that is not covered by the



(INSERT 10-4)

(p. 2 of 2)

universal health plan.

End of INS 10-4

INSERT 10-13

p1081

(a) Duties of the department under s. 152.40
(4) that require policy determinations.

(p) The necessity of exempting operation of the universal health plan from ch. 133.

(INSERT 18-9)

(p 1.71)

SECTION , CR; 230.08 (2) (cd)

230.08 (2) (cd) The secretary of the department
of health planning and finance.

INSERT 21-9

(c) The health policy board shall appoint the secretary of health planning and finance at the first meeting at which all elected or appointed board members assemble.

nonstat.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0439/1P2
DAK:.....
Kmg

To Representative Bock:

I have reviewed your April 21, 1997, memorandum to me concerning this bill and am, by this redraft, responding to the questions and issues posed in that memorandum and also the remaining questions in your memorandum of October 3, 1996, to which I was unable to fully respond in February because of illness. The following are explanations of changes that I have made in this ~~draft~~ ^{bill} to the material proposed, or responses to your instructions:

1. Please note that I have changed the statutory placement of the universal health plan from ch. 52 to ch. 152; this change aligns the universal health plan with statutory chapters regulating health *services*, rather than chapters that regulate health care *facilities*, and is, I believe, more appropriate placement.

2. April 21 memo, Nos. e. 2., 3. and 5: Please note that under s. 152.10 (4) (d) I have changed "prosthetics" (the surgical or dental specialty concerned with the design, construction and fitting of prostheses) to "protheses" (artificial devices to replace a missing part of the body). I did not include the language that you supplied as examples for amendment of ss. 152.10 (4) (b) and (d) and 152.40 (2) (a), because standard statutory drafting practice is to draft a general term that will cover specific examples; the reason for this is that courts occasionally read specified examples as *excluding* other examples, and we try to avoid that possibility.

3. April 21 memo, No. 4: You asked about the possible development, in the statutes, of regulated entities called "urban community health centers", as a counterpart to rural medical centers, which are defined and regulated under subch. III of ch. 50, stats. (I had previously omitted urban community health centers from the definition of "health care facility" in s. 152.01 (5) in the bill, because no mention is made of such an entity in the statutes.) Rural medical centers were created under 1995 Wisconsin Act 98; as I understand it, one of the primary purposes of the legislation was to allow a single licensure as a rural medical center for a single corporate entity that could include a hospital, a nursing home, a hospice or a home health agency and that would otherwise require 4 licenses or certificates of approval and payment of 4 licensing or approval fees. If you are interested in legislation that would be similar to subch. III of ch. 50, stats., I would be happy to talk further with you about it.

4. April 21 memo, No. 5: Because the medical advisory committee mentioned in s. 152.40 (2) (c) is intended to perform continuing review of criteria, it would be

inappropriate for the department to establish it by rule and it should be a council, rather than a committee. Therefore, I have created it as a council under s. 15.207 (4) and have referred to it in s. 152.40 (2) (c). How many members would you want? For what term length? Any other specifications? Restrictions?

5. April 21 memo, No. 5: As a body to review denials of coverage or eligibility I would suggest following the example that the department of health and family services (DHFS) uses for medical assistance: under s. 227.43 (1) (bu), the administrator of the division of hearings and appeals in the department of administration must assign a hearing examiner to preside over any hearing of a contested case that is required to be conducted by DHFS and that is not conducted by the secretary of health and family services (otherwise, an agency may designate an official or employee of the agency or borrowed from another agency as a hearing examiner to preside over contested cases). A hearing by a hearing examiner subjects the case to the due process requirements of ch. 227. Appeal is to the circuit court. I think this is what you want. It might be appropriate, at this time, to require the department under s. 152.40 (4) to specify an entity to review denials of coverage or eligibility. Then, following the decisions of the department, the system I have suggested could be drafted under the nonstatutory requirements for the LRB of this bill.

6. April 21 memo No. 5 and October 3 memo, last item: I am somewhat unsure of the scope of your consumer advocacy and health ombudsman request. Do you want this to be a single employee in, for example, the department of administration? Or are you contemplating a unit like the office of the long-term care ombudsman under the board on aging and long-term care (see s. 16.009, stats.) Do you contemplate specific duties for this person or unit? Would the actions of the regional consumer advocates and health care ombudsmen (see s. 152.40 (1)) be coordinated with this employee or unit?

7. April 21 memo, No. a.: We need to discuss this language; it is among the provisions that I was unable to complete in February. I am not sure that I understand it. I have drafted, as s. 152.10 (5) (a) and (b), the language that you have proposed, and, as you requested, deleted former s. 152.10 (5), which established the universal health plan as the payer of last resort. As to s. 152.10 (5) (a), are you proposing a tax exemption for a person who has an existing health insurance policy? How would that be administered, i.e., how would the ~~Department of Revenue~~ know whom to tax and whom not to? Wouldn't such an exemption apply to most people other than the working, uninsured poor, who may not pay much in taxes anyhow? Possibly this material would be more appropriate in s. 152.40 (4)? How should it fit with s. 152.40 (4) (a) 3.? What *would* be the payer of last resort when the universal health plan is fully implemented? As to s. 152.10 (5) (b), are you intending that this be a prohibition on issuance of health insurance policies after the universal health plan takes effect? (Note that, under s. 152.40 (4) (h) the department is supposed to "begin implementation of processes to effect" the formulation of prohibitions on issuance of disability insurance policies that duplicate universal health plan coverage.) I would think that, rather than encounter multiple problems that such a prohibition might pose, including ERISA at the very least, it would be reasonable to assume that health insurance coverage that rivals the

universal health plan will simply die off in the state because it is an additional, unnecessary expense to the consumer. Please review.

8. October 3 memo No. 3.a.: I have added to the ~~draft~~^{bill} s. 152.20 (3) (a) (and renumbered other paragraphs under that subsection accordingly). Does this effect your intent?

9. Generally:

a. Please note that I added Badger Care (s. 49.665) to ~~§~~^{ss.} 152.10 (2) (g) and 152.40 (4) (a)1.; Badger Care itself, however, cannot be implemented until federal Medicaid waivers are received.

b. Should any of the references to specific dates in this ~~draft~~^{bill} now be changed?

c. I have included a provision (s. 230.08 (2) (cd)) that lists the secretary of health planning and finance in the unclassified service.

I apologize for the great interval of time that has occurred since I received your last revisions. I would be happy to meet with you, Mr. Kusuda, Mr. Todd, Mr. Taggart or others to work out a finalized, complete version.

Debora A. Kennedy
Assistant Chief Counsel
266-0137

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0439/P2

DAK:kmg:hmh

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